

RESOLUTION NO. 91-70

RESOLUTION OF THE CALIFORNIA HOUSING
FINANCE AGENCY AUTHORIZING THE ISSUANCE
OF THE AGENCY'S NOTES AND BONDS FOR THE
PURPOSE OF FINANCING MULTIFAMILY HOUSING

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for multi-unit rental housing developments (the "Developments") for the purpose of providing housing for persons and families of low or moderate income;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of an ongoing program (the "Program") to make mortgage loans for the purpose of financing such Developments (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue notes and bonds to provide sufficient funds to finance the Program, including the making of Loans, the payment of capitalized interest on the notes and bonds, the establishment of reserves to secure the notes and bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the notes and bonds; and

WHEREAS, the Agency is authorized pursuant to the Act to issue notes, including commercial paper (collectively, the "Notes") to provide funds to finance the Program and to offer and sell from time to time one or more series of such Notes to be issued under one or more indentures and sold pursuant to one or more credit agreements or issuing and paying agency agreements to provide moneys to finance Loans until such time as such Loans may be financed by bonds; and

WHEREAS, the Housing Bond Credit Committee, pursuant to the Act, is required to determine the general adequacy of the Program's security in protecting the credit of the State of California;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

Section 1. The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds (the "Bonds"), in an aggregate amount not to exceed the sum of (i) the aggregate amount of prior multifamily bonds of the Agency to be redeemed or maturing in connection with such issuance, (ii) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose, (iii) if and to the extent the Bonds are "qualified 501(c)(3) bonds" under federal tax law, \$100,000,000, (iv) if and to the extent the Bonds are not "private activity bonds" under federal tax law, \$100,000,000, and (v) if and to the extent interest on one or more of such series is determined by the Executive Director of the Agency (the "Executive Director") to be intended not to be excludable from gross income for federal income tax purposes, \$100,000,000, is necessary to provide sufficient funds for the Program. The proper officers of the Agency are hereby authorized to apply from time to time for private activity bond allocations in an aggregate amount of up to \$200,000,000 from the 1992 state ceiling, to be used in connection with bonds issued under this resolution or resolutions hereafter adopted by the Agency.

Section 2. The Bonds are hereby authorized to be issued at such time or times on or before the day 30 days after the date on which is held the first meeting in 1993 of the Board of Directors of the Agency at which a quorum is present, as the Executive Director deems appropriate, upon consultation with the Treasurer of the State of California (the "Treasurer") as to the timing of each such issuance; provided, however, that if the Bonds are sold at a time on or before the day 30 days after the date on which is held such meeting, pursuant to a forward purchase agreement providing for the issuance of such Bonds on a later date on or before August 1, 1994 upon specified terms and conditions, such Bonds may be issued on such later date. The Executive Director is hereby requested and authorized to submit to the Housing Bond Credit Committee a statement of the purpose for which the Bonds are proposed to be issued and the amount of the proposed issuance.

Section 3. For each series of Bonds, the general indenture relating to the Bonds (the "General Indenture") to be entered into by and among the Treasurer, as trustee, and/or a duly qualified bank or trust company selected by the Executive Director to act as trustee or co-trustee (collectively, the "Trustees") and the Agency shall be in a form similar to that certain Housing Revenue Bond Indenture, dated as of July 1, 1984 (the "Housing Revenue Bond Indenture"), the form of indenture approved by the Board of

Directors of the Agency at its May 11, 1989 meeting for the Financial Guaranty Insurance Company program (the "1989 Indenture") or one of the following: (a) the Multifamily Rehabilitation Revenue Bonds, 1985 Issue A Indenture, dated as of March 1, 1985 (the "March 1, 1985 Indenture"), (b) the Multi-Unit Rental Housing Revenue Bonds II Indenture, dated as of September 1, 1982 (the "September 1, 1982 Indenture"), (c) the Rental Housing Revenue Bonds (FHA Insured Loans) Indenture, dated as of June 1, 1982 (the "June 1, 1982 Indenture"), (d) the Multi-Unit Rental Housing Revenue Bonds Indenture, dated as of July 12, 1979 (the "July 12, 1979 Indenture") or (e) the Multi-Family Revenue Bonds (Federally Insured Loans) Indenture, dated as of April 17, 1979 (the "April 17, 1979 Indenture") (collectively with the Housing Revenue Bond Indenture and the 1989 Indenture, the "Prior Indentures"); and each supplemental indenture, if any, relating to the Bonds (a "Supplemental Indenture") to be entered into by and among the Trustees and the Agency shall be in a form similar to the supplemental indentures heretofore executed in connection with the issuance of bonds under the Housing Revenue Bond Indenture, modified to the extent appropriate if the General Indenture is in substantially the form of one of the other Prior Indentures. In the event that the General Indenture is in a form similar to the March 1, 1985 Indenture, any reimbursement agreement to be entered into in connection with the issuance of the Bonds (the "Reimbursement Agreement") by and among the Agency, the Trustees and a duly qualified financial institution selected by the Executive Director, shall have similar terms as that certain Letter of Credit Agreement, dated as of March 1, 1985, by and among the Agency, Bankers Trust Company of California, National Association, as successor trustee, and Bank of America National Trust and Savings Association.

For each series of Bonds, the Executive Director is hereby authorized and directed to execute, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and in the name and on behalf of the Agency and under its seal, if and to the extent appropriate, a General Indenture, a Supplemental Indenture and a Reimbursement Agreement in substantially said forms, with such additions, changes and modifications as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery of the General Indenture, Supplemental Indenture and Reimbursement Agreement by the Executive Director.

Any General Indenture, Supplemental Indenture or Reimbursement Agreement as finally executed may include such modifications as the Executive Director may deem necessary or desirable in furtherance of the objectives of the Program,

including, but not limited to, provisions (a) for the Agency's insured or uninsured, limited or general, obligation to pay any debt secured thereby, (b) for a pledge of an amount of the Supplementary Bond Security Account to the extent necessary to obtain appropriate credit enhancement, (c) for a pledge of additional revenues which may be released periodically to the Agency from the lien of one or more indentures heretofore entered into by the Agency, including but not limited to (i) the Prior Indentures, (ii) the General Single Family Mortgage Purchase Bond Resolution, adopted by the Agency on October 27, 1976, (iii) the Home Ownership and Home Improvement Revenue Bond Indenture, dated as of January 1, 1978, and (iv) the Home Ownership Mortgage Bond Indenture, dated as of October 15, 1985, (d) for a reserve deposit of such other available assets of the Agency in an amount necessary to obtain appropriate credit enhancement but not to exceed an amount equal to ten percent (10%) of the amount of the Bonds, (e) for risk sharing provisions between the Agency and any credit provider dividing in such manner as the Executive Director may deem necessary or desirable in furtherance of the objectives of the Program, the risks that would be borne by the Agency pledging its general obligation to pay any debt secured thereby, (f) for a liquidity facility, (g) for contingent or deferred interest, or (h) for additional matters related to the foregoing.

In the alternative, if and to the extent that the Executive Director deems it necessary or desirable in furtherance of the objectives of the Program, any one or more Series of Bonds authorized hereby may be issued and secured under the Housing Revenue Bond Indenture or one of the other previously executed Prior Indentures, and the above-mentioned officers of the Agency are hereby authorized and directed to execute one or more Supplemental Indentures with such additions, changes and modifications as the Executive Director may approve upon consultation with the Agency's legal counsel, including any of such additional provisions referred to in the preceding paragraph, as are necessary or desirable, such approval to be conclusively evidenced by the execution and delivery of each Supplemental Indenture by the Executive Director.

Section 4. The Bonds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each Supplemental Indenture as finally approved shall provide. The Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or

variable rate or rates deemed appropriate by the Executive Director in furtherance of the objectives of the Program; provided that no Bond shall have a term in excess of fifty years or bear interest at a stated rate in excess of twelve percent (12%) per annum, or, if interest is determined to be intended not to be excludable from gross income for federal income tax purposes, fifteen percent (15%) per annum. Any of the Bonds and the Supplemental Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such Bonds prior to maturity for purchase by or on behalf of the Agency or a person other than the Agency and to accommodate bond insurance or other credit enhancement.

Section 5. The Bonds are hereby authorized to be sold at negotiated or competitive sale or sales. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more purchase contracts relating to the Bonds, by and among the Agency, the Treasurer and such underwriters as the Executive Director may select (the "Underwriters"), in such form as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said purchase contracts by the Executive Director.

Section 6. The Treasurer is hereby authorized and requested, without further action of this Board and unless instructed otherwise by this Board, to sell the Bonds pursuant to the terms and conditions set forth in each purchase contract as finally executed on behalf of the Agency. The Treasurer is hereby further authorized and requested to cash and deposit the proceeds of any good faith deposit check to be received by the Treasurer under the terms of said purchase contract in a special trust account for the benefit of the Agency, and the amount of said check shall be applied at the time of delivery of the Bonds as part of the purchase price thereof or returned to the Underwriters as provided in said purchase contract.

Section 7. The Executive Director is hereby authorized to circulate one or more preliminary official statements relating to the Bonds and, after the sale of the Bonds, to execute and circulate one or more official statements relating to the Bonds, and the circulation of such preliminary official statement and such official statement to prospective and actual purchasers of the Bonds is hereby approved. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds.

Section 8. The Executive Director is hereby authorized and directed to execute, and the Secretary of this Board is hereby authorized and directed to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with each Supplemental Indenture or Indenture in one or more of the forms set forth in such Supplemental Indenture or Indenture.

Section 9. The Bonds when so executed, shall be delivered to the Trustees to be authenticated by or caused to be authenticated by the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by the execution of the certificate of authentication and registration appearing thereon, and to deliver or cause to be delivered the Bonds when duly executed and authenticated to the Underwriters in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to the Trustees. Such instructions shall provide for the delivery of the Bonds to the Underwriters, upon payment of the purchase price thereof.

Section 10. The Executive Director and the other proper officers of the Agency are hereby authorized and directed to execute all documents they deem necessary in connection with the Program, including, but not limited to, regulatory agreements, reimbursement agreements, letter of credit agreements, loan agreements, origination and servicing agreements, investment agreements, agreements to enter into escrow and forward purchase agreements, escrow and forward purchase agreements and refunding agreements, in each case with such other parties as the Executive Director may select in furtherance of the objectives of the Program.

Section 11. The Agency is also of the opinion and hereby determines that the issuance of one or more series of Notes issued under a new indenture in an aggregate amount not to exceed the amount of Bonds issued or to be issued pursuant to this resolution is necessary to provide sufficient funds for the Program, and hereby authorizes Notes in such aggregate amount to be issued.

The Executive Director is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver a credit agreement (the "Credit Agreement") in a form similar to that utilized with respect to the Agency's Revolving Credit Agreement Notes, with such changes as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to

be conclusively evidenced by the execution and delivery thereof. The Credit Agreement may be with one or more banks, pension funds or other financial institutions or lenders and in such form as will permit the Agency to borrow from such banks, pension funds, financial institutions or lenders at any time or from time to time an amount not to exceed the amount of Notes authorized to be issued pursuant to this resolution. The obligation of the Agency to repay each such borrowing shall be evidenced by the Notes, which may be issued in such series, have such denominations, such registration and redemption provisions, such places and mediums of payment and such maturities and may bear interest at the fixed or variable rate or rates (not exceeding twelve percent (12%) per annum, or, if interest is determined to be intended not to be excludable from gross income for federal income tax purposes, fifteen percent (15%) per annum) specified in the indenture described below in this Section, all as the Executive Director deems appropriate upon consultation with the Treasurer.

The Executive Director and Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to the Treasurer as trustee and/or, if appropriate, to a trustee or co-trustee selected by the Executive Director with the approval of the Treasurer, one or more new general indentures and one or more supplemental indentures, similar in form to the general indenture and supplemental indenture used with respect to the Agency's Revolving Credit Agreement Notes, each with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in such new indenture may include, without limitation, modifications recognizing that interest on the Notes may not be excludable from gross income for federal income tax purposes, modifications recognizing that the Notes are financing the Program rather than the Multi-Unit Housing Finance Program, and provisions to additionally secure the Notes in a manner comparable to that authorized in Section 4 hereof for Bonds, in each case if appropriate in furtherance of the objectives of the Program.

The Executive Director is hereby authorized and directed to submit to the Housing Bond Credit Committee a statement of the purpose for which the Notes are proposed to be issued and the tentative aggregate amount of such proposed issues.

The Executive Director is hereby authorized and directed to execute and deliver, or cause to be delivered, and the Secretary is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the

Notes, in an aggregate amount not to exceed the amount authorized hereby, in accordance with an appropriate supplemental indenture and in one or more of the forms set forth in such supplemental indenture.

Section 12. As an alternative to the issuance of Notes under the arrangements described in the second through fifth paragraphs of Section 11 hereof, Notes are hereby authorized to be issued in the form of commercial paper under the arrangements described in this section, in an aggregate amount which, together with the amount of Notes issued under the arrangements described in the second through fifth paragraphs of Section 11 hereof, is equal to an aggregate amount not to exceed the sum of the amount of Bonds issued or to be issued pursuant to this resolution. The commercial paper Notes may be issued in such series, have such denominations, such registration and redemption provisions, such places and mediums of payment and such maturities and bear interest at the fixed or variable rate or rates (not exceeding twelve percent (12%) per annum, or, if interest is determined to be intended not to be excludable from gross income for federal income tax purposes, fifteen percent (15%) per annum) specified in the indenture described below in this Section, all established in the manner the Executive Director deems appropriate upon consultation with the Treasurer.

The Executive Director and Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to the Treasurer as Trustee and/or, if appropriate, to a Trustee or Co-Trustee selected by the Executive Director with the approval of the Treasurer, for the purpose of providing the security for the Notes, one or more new indentures, similar in form to the indenture presented to this meeting, each with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in such new indenture may include, without limitation, modifications in the security for the Notes, provision for a supplemental pledge of Agency moneys and provision for the Agency's general obligation to additionally secure the Notes, if appropriate, in furtherance of the objectives of the Program.

The Executive Director is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver an issuing and paying agency agreement (the "Agency Agreement") in a form similar to that presented to this meeting, with such changes as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution

and delivery thereof. The Agency Agreement may be with one or more banks, trust companies or other financial institutions selected by the Executive Director with the approval of the Treasurer.

The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more dealer agreements relating to the Bonds, by and among the Agency, the Treasurer and one or more commercial paper dealers as the Executive Director may select, in the form or forms approved by the Executive Director upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said dealer agreement by the Executive Director.

Section 13. All actions previously taken by the officers of the Agency in connection with the issuance of the Notes and Bonds are hereby approved and ratified.

Section 14. The Treasurer and the officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Notes and Bonds and otherwise to effectuate the purposes of this resolution.

Section 15. In the Executive Director's absence or upon his authorization, all actions by the Executive Director herein approved or authorized may be taken by the Deputy Director or the Director of Financing of the Agency.

SECRETARY'S CERTIFICATE

I, A. Theodore Giattina, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of the Resolution 91-70 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 14th day of November, 1991, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: Baldwin, Brown (by Theilen), Coyle (by Stevens), Hawkins, Mazza, Sterpa.
NOES: None

ABSTENTIONS: None

ABSENT: Cheng, Covitz, Gordon, O'Brien.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 14th day of November, 1991.

[SEAL]



A. Theodore Giattina
Secretary of the Board of
Directors of the California
Housing Finance Agency